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THE COMMITTEE of SECRECY, appointed to enquire whether it may be expedient further to continue the Restriction, contained in Two Acts made in the last Session of Parliament, respecting Payments in Cash by the Bank; have enquired accordingly, and agreed upon the following Report; *viz.*

YOUR Committee have, in the First Place, examined the total Amount of Out-standing Demands on the Bank of England, and of the Funds for discharging the same; and find, from the Examination of the Governor and Deputy Governor of the Bank, and the Documents produced by them, that the total Amount of Outstanding Demands on the Bank was, on the 11th Day of this Instant November, £. 17,578,910; and that the total Amount of the Funds for discharging the same (without including the permanent Debt due from Government, of £. 11,686,800, which bears an Interest of Three per Cent.) was, on the same Day, £. 21,418,460; leaving a Balance of Surplus in favour of the Bank (exclusive of the above-mentioned Debt from Government) of £. 3,839,550.

Your Committee next proceeded to examine the principal Articles of which the above-mentioned Sum of £. 21,418,460, being the Credit Side of the Account, is made up, with a View of ascertaining how far the Bank might be enabled to resume its accustomed Payments in Cash, in case the Restriction at present subsisting should be removed: And Your Committee find, that the Advances to Government have, on the one Hand, been so much reduced, since the 25th of February last, as to amount, on the said 11th Day of this Instant November, to no more than the Sum of £. 4,258,140, while, on the other Hand, the Cash and Bullion in the Bank have increased to an Amount more than Five Times the Value of that at which they stood on the same 25th of February last, and much above that at which they have stood at any Time since the Beginning of September 1795.

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Your Committee further find, that the Course of Exchange with Hamburg is, at present, unusually favourable to this Country, and that, from the Situation of our Trade, there is good Reason to imagine it will so continue, unless Political Circumstances should occur to affect it.

Your Committee next proceeded to examine the Governor and Deputy Governor of the Bank, as to their Opinion of the Inconvenience which may have arisen from the Restriction imposed on the Bank from making Payment in Cash, and of the Expediency of continuing such Restriction; and Your Committee find, that they are not aware of any such Inconvenience, and that they are supported in that Idea, by knowing that the Bankers and Traders of London, who had a Right by the Act of Parliament to demand Three Fourths of any Deposit in Cash which they had made in the Bank, of £. 500 or upwards, have only claimed about One Sixteenth: And Your Committee find, that the Court of Directors of the Bank, did on the 26th of October 1797, come to a Resolution, a Copy of which is subjoined to this Report.

Your Committee having further examined the Governor and Deputy Governor, as to what may be meant by the Political Circumstances mentioned in that Resolution, find, that they understand by them, the State of Hostility in which the Nation is still involved, and particularly such Apprehensions as may be entertained of Invasion, either in Ireland or this Country, together with the Possibility there may be of Advances being to be made from this Country to Ireland; and that from those Circumstances so explained, and from the Nature of the War, and the avowed Purpose of the Enemy to attack this Country by Means of its Public Credit, and to distress it in its Financial Operations, they are led to think that it will be expedient to continue the Restriction now subsisting, with the Reserve for partial Issues of Cash, at the Discretion of the Bank, of the Nature of that contained in the present Acts; and that it may be so continued, without Injury to the Credit of the Bank, and with Advantage to the Nation.

Your Committee, therefore, having taken into Consideration the general Situation of the Country, are of Opinion, that notwithstanding the Affairs of the Bank, both with respect to the general Balance of its Accounts, and its Capacity of making Payments in Specie, are in such a State that it might with Safety resume its accustomed Functions, under a different State of Public Affairs; yet, that it will be expedient to continue the Restriction now subsisting

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on such Payments, for such Time, and under such Limitations, as to the Wisdom of Parliament may seem fit.

Copy of a RESOLUTION of the Court of Directors of the Bank.

" At a Court of Directors, at the Bank, on Thursday the 26th October, 1797 ;

Resolved,

THAT it is the Opinion of this Court, That the Governor and Company of the Bank of England are enabled to issue Specie, in any Manner that may be deemed necessary for the Accommodation of the Public ; and the Court have no Hesitation to declare, that the Affairs of the Bank are in such a State, that it can with Safety resume its accustomed Functions, if the Political Circumstances of the Country do not render it inexpedient : But the Directors deeming it foreign to their Province to judge of these Points, wish to submit to the Wisdom of Parliament, whether, as it has been once judged proper to lay a Restriction on the Payments of the Bank in Cash, it may, or may not, be prudent to continue the same."

REPORT

of the Committee of Secrecy, to the House of Commons, in the Year of Our Lord One Thousand Seven Hundred and Ninety Seven, from

COMMITTEE of SECRECY.

Ordered to be printed 17th November 1797.

